



ACN 072 692 365

Open Pit Potential Big Nugget Hill Deposit

23 March 2011

ASX Code : HEG, HEGO

Drilling targeting high-grade shallow mineralisation in the southern part of the Big Nugget Hill Deposit at Hargraves will test potential for open pit mining.

- Further encouraging high-grade gold results.
- Targeted drilling program to assess open pit potential.
- Update of resource estimate underway.

The Hargraves Project is 100% owned by Hill End Gold Limited and is located approximately 30km south west of Mudgee, New South Wales. Considerable exploration work has been completed on the project to date and an update of the resource estimate at the Big Nugget Hill Deposit is currently being prepared.

As announced in October 2010 the Project's Big Nugget Hill Deposit contains 234,400 ounces of gold in a combined inferred and indicated resource of 1,439,000 tonnes averaging 5.1g/t gold. This initial resource estimate relates to an 800m portion of the Big Nugget Hill Deposit to a depth of approximately 200m.

Since October 2010 ten additional holes have been drilled principally to further test the Big Nugget Hill Deposit below 150 metres. Results were described in the December Quarterly Report released to the Australian Securities Exchange on 31 January 2011.

Importantly, initial mining optimisation studies have indicated that open pit mining of the near surface portion of the Deposit is potentially economic, although further work is required to confirm this potential.

Several of the more southerly holes so far drilled into the Deposit intersected some very high gold grades at shallow depth particularly near Section 9000N where previously announced intersections include:

- 672.5 g/t Au over 0.8m downhole at a depth of 40.6m
- 694.5 g/t Au over 0.3m downhole at a depth of 48.8m
- 132.8 g/t Au over 0.2m downhole at a depth 38m

A new hole HGD43 at 8900N, which is the southernmost hole on the structure to date, also intersected strong mineralisation at approximately 40m depth with 8.7g/t over 0.3m at 39m and 28.2g/t over 0.3m at 44m downhole. These intersections occur within Reef 1, which has been defined at shallow depth throughout the whole 800m of trend of the Big Nugget Hill Deposit so far drilled (see Figure). In the northern part of the Deposit Reef 1 is also very strongly mineralised so this shallow reef would be the focus for any future open pit development.

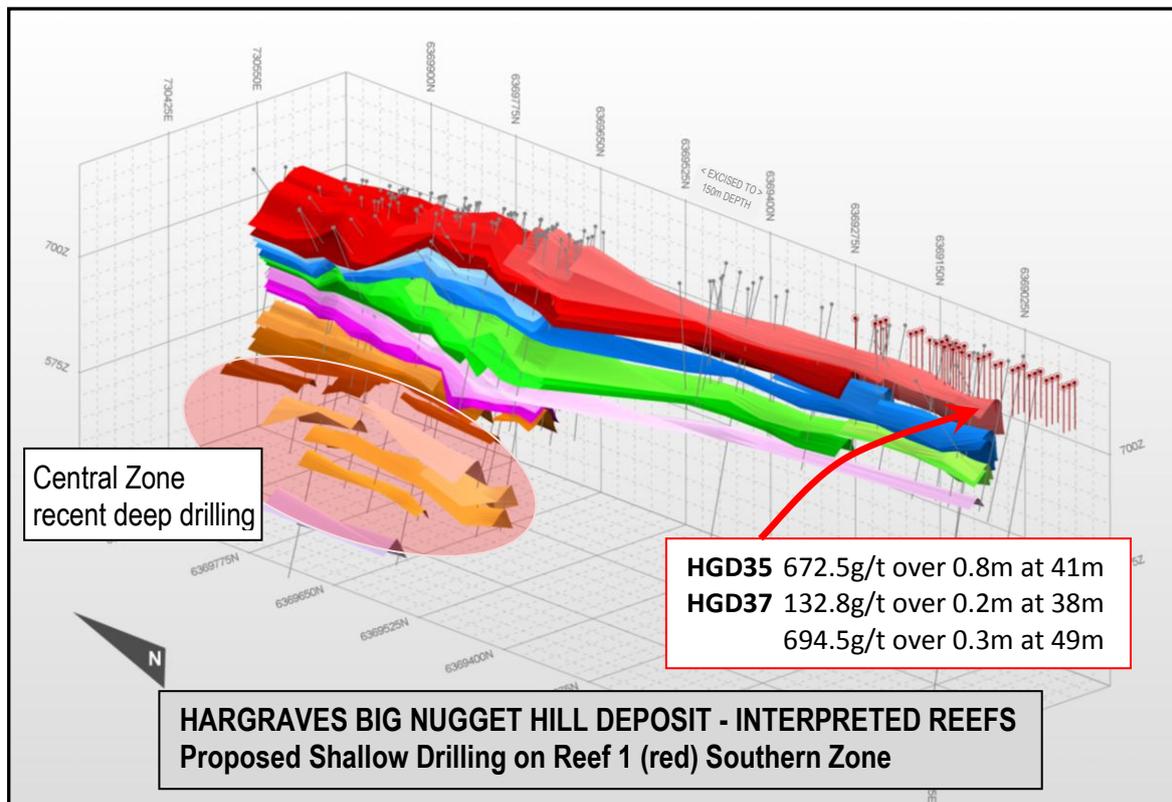
Hill End Site and Registered Office
4 Bowen Street
Hill End NSW 2850
Phone +612 6337 8343
Fax +612 6337 8345

Sydney Principal Office
3 Spring Street
Sydney NSW 2000
Phone +612 8249 4416
Fax +612 8249 4919

Website: www.hillendgold.com.au
Email: admin@hillendgold.com.au

In early May the Company will commence a program of close-spaced reverse circulation drilling targeted at delineating a shallow mineable resource centred on the high-grade intersections in the 9000N area. The program, which will total 2000m in 36 holes averaging 55m in depth, will primarily test the Reef 1 position. The proposed drill holes will test a 300m section of the trend of the Deposit on 25m-spaced sections, with some 12.5m-spaced sections.

Hill End Gold Managing Director, Philip Bruce said, “We expect the results of the RC drilling program to be released mid-year. Successful delineation of a well-defined shallow mineable resource in this portion of the deposit would confirm the considerable potential for open pit mining of much of the Big Nugget Hill Deposit.”



Hill End Gold Limited (ASX.HEG) has a clear focus on increasing resources and moving to significant gold production.

The HEG development strategy for the combined Hargraves and Hill End Gold Projects is to increase mineral resources to over one million ounces and to commence profitable production.

The Hargraves and Hill End Project tenements cover 860 square kilometres between Bathurst and Mudgee in New South Wales, Australia and include the three historic goldfields of Hill End, Hargraves and Windeyer, which are located within a radius of 35 kilometres.

During this past year, exploration programs have significantly uplifted resources, for the combined Hargraves and Hill End Projects, to 570,400 ounces through a 12,000m surface diamond drill program at Hargraves, and 6,900m of underground diamond drilling at Hill End, as well as the Reward underground development project, which mined 35,000 tonnes at 11g/t.

The initial resource estimate for the Big Nugget Hill deposit at Hargraves was recently completed and totals 1.44mt at 5.1g/t containing 234,400 ounces to a depth of about 200m below surface.

At both Hargraves and Hill End there are numerous gold prospects in multiple parallel mineralised structures with evidence of significant previous production that are to be explored.

The Company holds a minimum 85% beneficial interest in the Mining Leases in the Hill End area and the area formerly subject to Exploration Licence 2037, which is now part of Exploration Licence 5868, and holds a 100% interest in other tenements. Other less advanced exploration projects are located in southern NSW and Laos.

Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological employee of the company. Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle and Mr Bruce consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

For further information: Philip Bruce 0412 409 555